

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

RACE AND SPORTS BOOK

Licensee _____ Review Period _____

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's race and sports book operation is in compliance with the Race and Sports Book MICS.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability.
- 3) "(#)" refers to the Minimum Internal Control Standards for Race and Sports Book, Version 5.

Minimum Internal Control Standard Notes (paraphrased from the standards)

Note 1: The term "voucher" refers to a printed wagering instrument that has a fixed dollar wagering value and is redeemable for cash or cash equivalents.

Note 2: The term "SAM" refers to a "self activated machine" that is used for placing wagers and includes betting kiosks.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for race and sports been read prior to the completion of this checklist to obtain an understanding of the licensee's race and sports operation?				
<u>Equipment Standards</u>				
2. Is the time generated by the computer during ticket writing tested each day by a supervisor independent of the ticket writing and cashiering function (this person may also be independent of the book)? (1)				
3. For outstation and satellite books, is the test referred to in the preceding question performed at the location of the main computer? (1)				

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<p>4. Is the Naval Observatory Master Clock contacted to verify the correct time each day events are held and wagers are accepted with the main computer being adjusted as required? (2)</p> <p>Note 1: The telephone number for the Naval Observatory Master Clock is (202) 762-1401. (2)</p> <p>Note 2: This standard is inapplicable to outstation and satellite books if the time cannot be changed by employees of such books. (2)</p> <p>Note 3: This standard is not applicable when the time within the computer system is kept accurate through the use of an automated update process. (2)</p>				
<p>5. When the time is tested, and/or adjustments are necessary due to discrepancies, is a record of the station number, date, time of test, time per computer, name or signature of the employee performing the test, and any other relevant information created? (3) Verify by examination.</p>				
<p>6. For outstation and satellite books are the records referred to in the preceding question available at each licensed location upon request? (3)</p>				
<p>7. Are all date, time and numerical sequence stamping machines used by the book for voiding tickets and payouts directly and permanently wired to the electrical supply system or do they have a back-up power source to ensure an accurate time in the event of power loss to the machines? (4) Indicate the method used.</p>				
<p>8. In relation to the date, time and numerical sequence stamping machines mentioned in the preceding question, do the following also apply:</p>				
<p>a) Do only personnel independent of the book have access to fuses or fuse-like devices used in connection with the machines? (5)</p>				
<p>b) Does someone independent of the ticket writing function examine and test the stamping machines once each day to ensure that the date and time are accurate to the nearest minute? (6)</p> <p>Note: For satellite books this test can be performed by the ticket writer. (6)</p>				

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c) For books with casino operations and for outstation books, is the above test performed at least weekly by someone independent of the book? (7)				
d) When the tests referred to in "b" and "c" above are performed, are the test and any adjustments necessary due to discrepancies documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information? (8) Verify by examination.				
e) Are the keys (originals and duplicates) to the machines maintained and used by a department or personnel who are independent of the ticket writing and cashiering functions? (9)				
<u>Wagering Standards</u>				
9. Are all transfers of chips/cash between writer banks and cashier banks properly authorized and documented? (10) Verify by examination.				
10. Whenever a betting station is opened for wagering or turned over to a new writer, does the writer sign on and does the computer document the writer's identity, the date and time, and the fact that the station was opened? (11) Verify by examination.				
11. Whenever a betting station is closed or the writer is replaced, does the writer sign off and does the computer document the date and time and the fact that the station was closed? (12) Verify by examination.				
12. Upon accepting a wager, is a betting ticket created in duplicate as follows: Verify by examination.				
a) An original which is transacted and issued through a printer and given to the patron? (13a) Note: This is not applicable for wagers placed using communications technology. However, see "c" below for the requirement relating to these types of wagers. (13a)				
b) A restricted copy which is recorded concurrently with the generation of the original ticket and is not accessible to book employees? (13b)				

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c) If a wager is placed using communications technology, are all wagering communications electronically recorded (separate from the computerized race and sports system) and retained for a period of 60 days? [Regulation 22.140(9) and 13a Note]				
13. If a book voids a betting ticket are the following procedures performed:				
a) Is a void designation immediately branded by the computer on the ticket or is the ticket voided manually in the computer system by inputting the ticket sequence number and immediately writing/stamping a void designation on the original ticket? (14a) Indicate the method used.				
b) For not-in-computer voids, is the date and time at which the ticket was voided stamped on the original? (14b)				
c) Are all voids signed by the writer/cashier and the supervisor at the time of the void? (14c) Note: For satellite books the second signature can be a supervisor of the host property. (14c)				
14. Are sporting event wagers not accepted after the start of the event unless "in progress" or a similar notation is indicated on the original and each copy of the betting ticket, and the computer system documents the supervisor's approval? (15) Note: The second half of a football game, for example, is considered a separate event when set up in the computer system as an independent event for accepting wagers. (15)				
15. Are race wagers not accepted after the occurrence of post time, as defined in Regulation 22.010(12)? (16)				
16. Is the cutoff time for event wagering established in the computer in accordance with the provisions of Regulation 22? (17) Note: Dissemination interface software is available which allows a disseminator to enter the cut-off times for licensees taking its broadcasts. If this is used, determine that the licensee has instituted procedures to monitor the cut-off time entered by the disseminator and that the licensee continues to enter appropriate cut-off times for events not covered by the interface.				

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17. Is the computer either incapable of transacting/accepting a wager subsequent to the above cutoff times or does it produce a report which specifically identifies such wagers? (18)				
18. Is the computer either incapable of voiding a ticket subsequent to the cutoff time or does it produce a report which specifically identifies such voided tickets? (19)				
19. Is the computer incapable of establishing or changing a cutoff/starting time to a time that is earlier than the current time of day? (20)				
20. Are tickets not written or voided after the outcome of an event is known? (21)				
21. If the licensee is only licensed for a sports pool (and not a race book), do they not accept race wagers on any event held at a track which uses the pari-mutuel system of wagering? (22)				
<u>Noncash Wagers</u>				
22. Are the noncash multiple transaction logs created pursuant to Regulation 22.062(2) submitted to the accounting department within 24 hours after the end of a designated 24-hour period? (23)				
23. If the book wagering reports are prepared by the race and sports book pursuant to Regulation 22.061(6), are the completed book wagering reports submitted to the accounting department by no later than 24 hours after month end? (24)				
<u>Payout Standards</u>				
24. Prior to patrons receiving payouts on winning tickets, are the results input into the computer's administrative terminal for computerized grading of all wagers? (25) Verify by observation.				
25. Prior to making a payment on a ticket/voucher or crediting the winnings to the patron's account:				
a) Does the cashier input the ticket/voucher sequence number into the cashier's terminal? (26a) or				
b) For account wagers, does the computer system automatically update the patron's account when the event results are posted? (26b)				

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26. Upon computer authorization of a payment, is the patron's copy immediately written/stamped or branded by the computer with a paid designation and noted with the amount of payment and date? (27) Verify by examination.				
27. In the case of computer failure, tickets may be paid. In those instances where a system failure has occurred and tickets are manually paid, is a log maintained which includes the date and time of system failure, the reason for failure and the date and time the system was restored? (28a-c) Verify by examination.				
28. Are all manually paid tickets entered into the computer system as soon as possible to verify the accuracy of the payout? (29) Note: This does not apply to purged, unpaid winning tickets. (29)				
29. Are all manually paid tickets regraded as part of the end-of-day audit process should the computer system be inoperative? (29)				
30. For all payouts which are made without computer authorization, is the date and time stamped on the patron's copy? (30)				
31. Is documentation supporting and explaining payouts made without computer authorization: Verify by examination.				
a) Reviewed by the book manager or other authorized supervisory personnel, as evidenced by his signature? (31a)				
b) Regraded as part of the end-of-day audit process? (31b)				
c) Are all hand pays traced to the system transaction report or the purged tickets report to verify the authenticity of the initial wager? (31c) Note: Appeasement payments (e.g., nonwinning ticket payouts resulting from a customer complaint or employee error) are not deductible from gross revenue.				
32. Is the computer incapable of authorizing payment on a ticket/voucher which has been previously paid, a voided ticket/voucher, a losing ticket, or an unissued ticket/voucher? (32) Note: If possible, this should be verified by testing the system.				

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33. Is supervisory approval required to access a patron's account when no wagering, deposit or withdrawal activity has occurred within the account for more than 180 days? (33)				
34. If a progressive pool is used for wagers, is adequate documentation retained regarding the rules? (34)				
<u>Checkout Standards</u>				
35. Does the system indicate the amount of net cash that should be in each writer and cashier station and is a supervisor required to access this information? (44) Verify by examination.				
Testing of the summary report is required. Select one summary report per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
36. For each writer station and each cashier station, is a summary report completed at the conclusion of each shift that includes:				
a) The computation of cash turned in for the shift and any variances between the cash turn-in and the amount of net cash that the computer system indicates should be in each station? (45a)				
b) Signatures of two employees who have verified the cash proceeds turned in for the shift? (45b)				
<u>Employee Segregation</u>				
Note: Administrative functions include setting up events, changing event data, and inputting results at any time. (Note before 46)				
37. Are race and sports book employees prohibited from wagering on race/sports events, except for pari-mutuel wagering, while on duty, including during break periods. (46)				
38. Are the end-of-day report generation procedures performed by or observed by a person from an independent department? (47)				
39. If employees who perform the supervisory functions of approving void tickets and over-the-limit wagers also write tickets:				
a) Are the supervisory functions allowed to be performed limited to approvals for over-the-limit wagers and the voiding of tickets prior to post-time? (48a)				

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b) Is a supervisor, acting as a writer, not allowed to authorize a void for a ticket that he wrote? (48b)				
c) Are all tickets written by a supervisor which are subsequently voided and all not-in-computer voids recorded in a log, used specifically for that purpose, which indicates the supervisor's/writer's name and the name of the person authorizing the void? (48c)				
d) Is the log mentioned in the preceding question forwarded to a department independent of the book (i.e., accounting/audit) on a daily basis for a 100% audit of voids for the proper signature, a void designation on the ticket, any indications of past-post voiding, and other appropriate regulation compliance? (48d)				
e) Are any discrepancies noted and investigations performed as a result of the procedure in the preceding question documented in writing and maintained? (48d)				
f) Is a supervisor, acting as a writer, not allowed to authorize an over-the-limit wager for a ticket that he wrote? (48e)				
g) Does a department independent of the book (i.e., accounting/audit) perform a 100% audit of the exception report for any inappropriate use of the supervisory password? (48f)				
h) Are any discrepancies noted and investigations performed as a result of the procedure in the preceding question documented in writing and maintained? (48f)				
40. Are employees who have access to an administrative terminal or perform administrative functions not allowed to write or cash tickets? (49)				
<u>Promotional Payouts, Drawings and Giveaway Programs</u>				
41. Are the conditions for participating in promotional payouts, including drawings and giveaway programs, prominently displayed or available for patron review at the licensed location? (35) Verify by examine.				

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Testing of promotional payouts is required. Select one promotional payout form per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
42. Are promotional payouts that are either deducted from gross revenue, or are greater than or equal to \$100 and not deducted from gross gaming revenue, documented to include the following:				
a) Date and time? (36a)				
b) Dollar amount of payout or description of personal property (e.g., car)? (36b)				
c) Reason for payout (e.g., promotion name)? (36c)				
d) Signature(s) of the following number of employees verifying, authorizing, and completing the promotional payout:				
1) Two employee signatures for all payouts of \$100 or more; or				
2) One employee signature for payouts of less than \$100 that are deducted from gross gaming revenue. (36d)				
43. If the promotional cash payout is less than \$100 and is not deducted from gross gaming revenue, is documentation created to support the bank accountability? (37)				
<u>Contests/Tournaments</u>				
Testing two contests/tournaments is required. Select two contests/tournaments in non-consecutive months. Indicate contests/tournaments selected and results of testing.				
44. Are all contest/tournament entry fees, prize payouts, participant's wagering selections and contest/tournament results recorded in the computerized race and sports system? (38) Note: This standard is inapplicable to contests/tournaments that do not require entry fees. (38)				
45. When contest/tournament entry fees and payouts are transacted, are they recorded on a document which contains:				

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Questions	Yes	No	N/A	Comments, W/P Reference
a) Patron's name? (39a)				
b) Date of entry/payout? (39b)				
c) Dollar amount of entry fee/payout (both alpha and numeric)? (39c)				
d) Signature or initials of the individual completing the transaction? (39d)				
e) Name of contest/tournament? (39e)				
46. Are the contest/tournament entry fees and payouts summarized and posted to the accounting records on at least a monthly basis? (40)				
47. Are contest contest/tournament rules included on all entry forms/brochures and prominently displayed or available for patron review at the licensed location? (41)				
48. Do the rules mentioned in the preceding question contain at least the following:				
a) All conditions that patrons must meet to qualify for entry into, and advancement through, the contest/tournament? (41a)				
b) Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool? (41b)				
c) The distribution of funds based on specific outcomes? (41c)				
49. Are the results, including the name of the event, date(s) of the event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category, of each contest/tournament recorded and available for patrons to review? (42)				
50. Is the name of each winner recorded and maintained, but not made available to the participants unless authorized by management personnel? (42)				
51. Are the aforementioned contest/tournament records maintained for each event? (43)				

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<u>Credit Accounts</u>				
52. If the race and sports book issues credit, do the race and sports book credit procedures comply with the requirements of the Cage and Credit Minimum Internal Control Standards? (87)				
53. If credit adjustments are listed on the NGC tax returns, are the requirements of Regulation 6.120 met? (87)				
<u>Computerized Player Tracking Systems</u>				
Note: Compliance with the standards under this heading are required for all computerized race/sports player tracking systems.				
54. Is the player tracking system secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.)? (88)				
55. Is the addition/deletion of points to player tracking accounts other than through actual play sufficiently documented (including substantiation of reasons for increases) and authorized/performed by supervisory personnel of the player tracking, promotions, or race and sports departments? (89)				
56. Is the addition/deletion of points to player tracking accounts as described in the preceding question authorized by supervisory personnel documented and randomly verified by accounting/audit personnel on a quarterly basis? (89)				
Note: Standard #89 (as addressed in the previous two questions) does not apply to the deletion of points related to inactive or closed accounts through an automated process. (89)				
57. Are employees who redeem points for members precluded from having access to inactive or closed accounts without authorization from supervisory personnel? (90)				
58. Is patron identification required when redeeming points without a race and sports card? (91)				
59. Are changes to the player tracking system parameters, such as point structures and employee access, performed in one of the following two methods:				
a) Are they performed by supervisory employees independent of the race and sports department? (92) , or				

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b) Are they performed by race and sports supervisory employees if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory employees independent of the race and sports department on a monthly basis? (92)				
60. Are all other changes to the player tracking system appropriately documented? (93)				
<u>Generic Passwords for Casino Cage Cashiers</u> Note: A password is not considered generic if a supervisor signs onto a common terminal with his or her individual password and takes responsibility for a community bank used for race and sports payouts.				
61. If generic passwords are used in the casino cage for the computerized race and sports book system, are the following procedures performed:				
a) Does each cashier redeem tickets from his assigned window bank? (50a)				
b) After verifying it as a winning ticket in the race and sports book terminal, does the cashier initial the patron's copy of the ticket, immediately date/time stamp the ticket at his assigned window, and then maintain the ticket in his cash drawer? (50b) Verify by examination.				
c) Is each cashier assigned a unique date/time stamp which is used solely at his assigned window? (50c) Verify by examination.				
d) Do payouts of \$2,000 or more require a supervisor to input his approval code and to initial the ticket? (50d)				
e) Do payouts of \$10,000 or more require management personnel independent of the cage department to input his approval code and to initial the ticket? (50e)				
f) Is a summary sheet prepared which lists all of the cashiers working that shift, their assigned windows, the date/time stamp identification, and the total tickets cashed per cashier? (50f) Verify by examination.				
g) Is the total of the report mentioned in the preceding question then balanced to the total tickets cashed per the race and sports book end of shift report? (50f)				

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h) Are any discrepancies noted and investigations performed as a result of the procedure mentioned in the preceding question documented in writing and maintained? (50g) Verified by examination.				
<u>Computer Reports</u> Note: Documentation equivalent to the following must be prepared for satellite books on a "per book" basis. Wagers placed using communications technology can be included in the documentation of the central site book that accepted and recorded the patron's wager.				
62. Is adequate documentation of all pertinent race and sports book information generated by the computer system? (51) Verify by examination.				
63. Is the documentation mentioned in the preceding question restricted to authorized personnel? (52)				
64. Is the documentation created daily and does it include at a minimum: Verify by examination.				
a) The ticket/voucher number? (53a)				
b) The date/time of the transaction? (53b)				
c) The type of wager? (53c)				
d) The team/horse identification? (53d)				
e) The amount of the wager/payout (by ticket, by writer/cashier and in total)? (53e)				
f) Wagering activity by account (summary of account activity by transaction type and account balance)? (53f)				
g) Future wagers (by ticket, by dates of events, in total by day, and in total at the time of revenue recognition)? (53g)				
h) Unpaid winners/vouchers (by ticket/voucher and in total by day)? (53h)				
i) Results (date/time of event per the cutoff time input to the computer, team names and team/horse identifications, and payout data)? (53i)				
j) A daily recap report:				
1) Date? (53j1)				

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2) Total:				
(a) Cash write for the day? (53j2a)				
(b) Futures written for the day? (53j2b)				
(c) Futures brought back into revenue (today's events)? (53j2c)				
(d) Accrual write: (a) less (b) plus (c)? (53j2d)				
(e) Cash paid out on prior days' events? (53j2e)				
(f) Cash paid out on today's events? (53j2f)				
(g) Cash payouts for the day? (53j2g)				
(h) Unpaid tickets for the day? (53j2h)				
(i) Accrual payouts: (f) plus (h)? (53j2i)				
(j) Unpaid winners brought back into revenue? (53j2j)				
(k) Taxable revenue: (d) less (g) or (a) less (g)? (53j2k)				
(l) Book (accounting) revenue: (d) less (i) plus (j)? (53j2l)				
k) Exception information (sorted by exception type), including:				
1) Voids, past-post voids, past-post write? (53k1)				
2) Changes in odds, cut-off times, results and event data? (53k2)				
3) All supervisory approvals/overrides? (53k3)				
l) Daily personnel access listing which includes at a minimum:				
1) Employee name and title or position? (53l1)				
2) Employee identification? (53l2)				
3) Listing of functions employee can currently perform or equivalent means of identifying same? (53l3) Note: This listing may be archived daily in lieu of printing. (53l3)				

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<u>Accounting/Auditing Standards</u>				
Note: Board approved software may be used to perform some of the accounting/auditing standards.				
Review of documentation evidencing the performance of race and sports book accounting/audit standards is required. Select the appropriate documentation to determine that all required procedures are being performed.				
65. Is documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) maintained evidencing the performance of race and sports audit procedures, the exceptions noted and follow-up of all race and sports audit exceptions? (54) Verify by examination.				
66. Is the race and sports book audit conducted by someone independent of the race, sports, and pari-mutuel operations? (55) Note: Such personnel may also perform the audit function for the outstation book of affiliated properties (and vice versa). (55)				
67. At least weekly:				
a) Are all winning tickets, vouchers, and cash removed from the SAM by at least two employees? (56a)				
b) Are SAM winning tickets and vouchers ultimately delivered to the accounting department and is the cash removed from the SAM delivered to an appropriate area of accountability? (56b)				
c) Are winning tickets and vouchers deposited in each SAM reconciled to the totals of SAM activity produced by the system and are all variances investigated with the investigation results being documented and maintained? (56c)				
d) Is the actual cash turn in from each SAM reconciled to the amount reported by the system and are all variances investigated with the investigation results being documented and maintained? (56d)				

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68. At least annually, do accounting/audit personnel foot the write on the restricted copy of written tickets for a minimum of three writers for each race book and three writers for each sports pool and trace the total to the total produced by the system? (57)				
69. Do accounting/audit personnel foot the customer copy of paid tickets for a minimum of one cashier station per month and trace the totals to those produced by the system? (58)				
70. At least annually for one day, do accounting/audit personnel foot the cashed vouchers and trace the totals to those produced by the system? (59)				
71. Daily, are the write and payouts compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than \$100 per writer/cashier)? (60)				
72. For all sports book winning tickets and parlay card tickets in excess of \$10,000, for all race book winning tickets in excess of \$1,000, and for a random sample of .2% (two tenths of one percent) of all other winning race book and sport book tickets are the following procedures performed daily:				
a) Are the tickets recalculated and regraded using the computer record of event results? (61a)				
b) Is the date and starting time of the event/race per the results report compared to the date and time stamp on the ticket and in the computer sales/transaction report? (61b)				
c) Are the terms of the wagers (e.g., point spreads, money-lines, etc.) per the computer sales/transaction report or per the results report (if that summary lists all point spreads and money-lines at which wagers were written or if an equivalent report satisfying this requirement is produced) reviewed and compared to an independent source for extravagant or questionable activity? (61c)				
73. For all voided tickets, are the following procedures performed daily:				
a) Are the computer reports which display voided ticket information examined to verify that the tickets were properly voided prior to the cutoff times for event wagering? (62a)				
b) Are the voided tickets examined for a void designation and proper signatures? (62b)				

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Questions	Yes	No	N/A	Comments, W/P Reference
74. Daily, is the book's computerized summary of events/results report traced to an independent source for 5% of all sporting events and 5% of all races to verify the accuracy of starting times (if available from an independent source) and final results? (63)				
75. Are exception reports reviewed on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing and changes in odds, cut-off times, results and event data? (64a-b)				
76. Are any investigations performed regarding the exception reports documented? (65)				
77. At least one day per calendar quarter, are the computer-generated reports reviewed for proper handling of future wagers, unpaid winners, and wagering accounts? (66)				
78. If book wagering reports are prepared by the race and sports book, do accounting/audit personnel review all noncash multiple transaction logs to ensure that book wagering reports have been completed for all reportable transactions pursuant to Regulation 22.061? (67)				
79. If book wagering reports are not prepared by the race and sports book, do accounting/audit personnel review all noncash multiple transaction logs and prepare book wagering reports for all reportable transactions pursuant to Regulation 22.061? (68)				
80. Is the book wagering report signed by the employee that prepared the report? (69)				
81. Does accounting remit all book wagering reports to the Board in accordance with Regulation 22.061(6)? (70)				
82. Monthly, do accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper win/loss computation? (71)				
83. For all contests, tournaments, promotional payouts, drawings, and giveaway programs, including promotional payouts resulting from player tracking activity, is the following documentation maintained: Note: Promotional payouts include payouts resulting from computerized player tracking activity.				

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Questions	Yes	No	N/A	Comments, W/P Reference
a) Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs (i.e., brochures, flyers)? (72a)				
b) Effective dates? (72b)				
c) Accounting treatment, including general ledger accounts, if applicable? (72c)				
84. Monthly, do accounting/audit personnel perform procedures (i.e., interviews, review of payout documentation, etc.) to ensure that promotional payouts, drawings, and giveaway programs are conducted in accordance with the conditions provided to the patrons? (73)				
85. Daily, do accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document and computerized system report? (74)				
86. When payment is made to the winners of a contest/tournament, do accounting/audit personnel reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made? (75) Note: The purpose of this reconciliation is to determine whether based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules. (75)				
87. Monthly, do accounting/audit personnel reconcile gross revenue from the accounting records to the monthly NGC tax return? (76)				
88. Is the reconciliation in the preceding question documented and maintained and are all variances reviewed, documented, and maintained? (76) For one month review the reconciliation to verify the proper completion of the reconciliation and to determine that the variance amount is accurate. Indicate the month/year reviewed and the results of the review.				
89. Monthly, do accounting/audit personnel review the accounting records and the NGC-31 report to ensure that the write and win has been properly reported according to the appropriate revenue area (i.e., nonpari-mutuel race write and win are listed under race, and pari-mutuel race write and win are included under pari-mutuel race, etc.)? (77)				

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Questions	Yes	No	N/A	Comments, W/P Reference
90. Monthly, do accounting/audit personnel review the NGC-32 form to determine that all nonpari-mutuel race wagers (including race wagers accepted in the sports pool) have been reported and broken out by disseminator and by track? (78)				
91. In relation to the previous question, if a single wager is accepted involving more than one track (i.e., a parlay card or parlay wager off the board), do accounting/audit personnel determine that the wager is apportioned on a pro rata basis to each track? (78)				
92. Monthly, do accounting/audit personnel reconcile the information on the NGC-32 form to pari-mutuel and nonpari-mutuel handle (write) and win information reported on the corresponding NGC-31 report, with the reconciliation being documented and any variances being investigated? (79) For one month review the reconciliation to verify the proper completion of the reconciliation and to determine that the variance amount is accurate. Indicate the month/year reviewed and the results of the review.				
93. Monthly, is a copy of the original NGC-32 form that was submitted to the Board forwarded to the respective disseminators in accordance with Regulation 20? (80)				
94. Quarterly, is an inventory of all sensitive race and sports keys performed and reconciled to the records of keys made, issued and destroyed? (81)				
95. Are investigations performed for all unaccounted for keys with the investigations being documented? (81)				
96. If a progressive pool is used for wagers, do accounting/audit personnel recalculate the progressive increment based on the wagering activity at least once a week with any variances being reviewed and with the investigation results being documented and maintained? (82)				
<u>Statistics</u>				
Testing of the statistical report is required. Select all statistical reports for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				

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Questions	Yes	No	N/A	Comments, W/P Reference
97. Are reports maintained for each month and year-to-date (or as otherwise specified by regulation) which indicate the total amount of wagers accepted, total amount paid out on winning wagers, the net amount won by the book, and the win-to-write percentage for:				
a) Each sport (e.g., baseball, basketball, football, hockey, golf, boxing, etc.)? (83a)				
b) Sports parlay cards? (83b)				
c) Horse/greyhound racing? (83c)				
98. Is the information mentioned in the preceding question presented to and reviewed by management independent of the race and sports book on at least a monthly basis? (84)				
99. Does the above referenced management investigate any unusual statistical fluctuations with race and sports book personnel? (85) Note: The review will be performed by comparing the current period statistics for each type of event with those of applicable prior periods. (85)				
100. Are the results of any investigations performed in relation to the standard mentioned in the previous question documented and maintained? (86)				
<u>Payout Procedures for Mail-In Winning Race and Sports Tickets</u>				
101. Do accounting/audit personnel or personnel independent of the race and sports book receive the original winning race/sports ticket? (94)				
102. Do accounting/audit personnel or personnel independent of the race and sports book record the winning race/sports ticket on a log, which includes the date received, the patron's name and the race/sports ticket number, as a mail pay? (95) Verify by examination.				
103. Is the winning race/sports ticket entered into the computer system for validation and then cancellation as a mail pay? (96)				
104. Do accounting/audit personnel compare the "paid" winning race/sports tickets to the mail pay log and the system report for paid winning race and sports tickets and are any discrepancies documented and reviewed with race and sports and accounting management personnel? (97)				

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Questions	Yes	No	N/A	Comments, W/P Reference
105. Do accounting/audit personnel, independent of the individual(s) that processed the mail pay winning ticket, review the patron's correspondence submitted, the winning race/sports ticket (only for winning tickets exceeding \$150), the mail pay log and the system report for "paid" winning race and sports tickets for any discrepancies? (98)				
106. Are any discrepancies noted through the performance of the procedure in the preceding question documented and resolved prior to remitting the proper payment amount to the patron? (98)				
<u>Written System of Internal Control</u>				
107. Has the licensee's written system of internal control for race and sports been re-read prior to responding to the following question?				
108. Does the written system of internal control for race and sports reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? [Regulation 6.090(13)]				

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